



**COMMISSIONER KENNEDY PROPOSED 3rd REVISED AMENDMENT NO. 4**

TIME/DATE PREPARED: October 29, 2020

COMPANY: Arizona Corporation Commission

AGENDA ITEM NO. 1

DOCKET NO(S). RU-00000A-18-0284

OPEN MEETING DATE: October 29, 2020

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**INSERT -**

“Baseline Carbon Emissions Level” means a Utility’s annual gross Carbon Emissions directly associated with energy produced from all Generating Units used to serve its kWh sales, expressed in metric tons.

“Carbon Emissions” means carbon emissions resulting from the combustion of fossil fuels, such as coal, petroleum, natural gas, oil, shale, and bitumen, in a Generating Unit, expressed in metric tons.

**DELETE** “Generating Unit” means a specific device or set of devices that converts one form of energy into another form of energy.”

**REPLACE WITH** - “Generating Unit” means a specific device or set of devices that converts one form of energy, such as mechanical, thermal, or chemical energy, into another form of energy, excluding energy conversion related to an Energy Storage System.

**Page 53, DELETE R14-2-2704 Clean Energy Resources**

**Page 53, under R14-2-2705. Clean Energy Implementation Plan**

**INSERT new subsection under (B):**

A 100% reduction in Carbon Emissions below its Baseline Carbon Emissions Level with the following corresponding interim standards:

<b>Year</b>	<b>Reduction from Baseline Carbon Emissions Level</b>
January 1, 2032	At least 50%
January 1, 2040	At least 75%
January 1, 2050	100%

**Under R14-2-2705(C)(2) INSERT new subparagraph (d):**

d. A schedule for the retirement of each Generating Unit that produces Carbon Emissions.

**\*\* Make all conforming changes**

<b>THIS AMENDMENT:</b>		
_____ Passed _____	Passed as amended by _____	
_____ Failed _____	_____ Not Offered _____	_____ Withdrawn _____

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Under R14-2-2705(C)(3) **DELETE** subparagraph (f)

**INSERT new subparagraph (f):**

f. Total Costs per kwh to serve retail load and cents per kW of generating Capacity, disaggregated by technology type.

**INSERT new subparagraphs (h) and (i):**

h. Total Carbon Emissions, disaggregated.

i. Total Carbon Emission reductions from Baseline Carbon Emissions Level.

**INSERT New Subsections:**

**G.** An Electric Utility's Baseline Carbon Emissions Level shall be the average annual metric tons of Carbon Emissions from all Generating Units used to meet the Electric Utility's retail kWh sales, during the consecutive three-calendar year period of 2016 to 2018.

**H.** Within 210 calendar days after the effective date of this Article, an Electric Utility shall provide to the Commission for review its proposed Baseline Carbon Emissions Level and verification from an independent third-party that the Carbon Emissions identified in its Baseline Carbon Emissions Level are accurate along with any supplemental information and work papers used to make that determination.

**I.** An interested person shall file with the Commission, within 60 calendar days after an Electric Utility provides to the Commission its Baseline Carbon Emissions Level under subsection (H), any objection to the proposed Baseline Carbon Emissions Level.

**J.** After receiving an objection, or on its own initiative, the Commission may engage in a process to determine and approve the Baseline Carbon Emissions Level for an Electric Utility.

**K.** If no interested person objects to the Electric Utility's Baseline Carbon Emissions Level, and the Commission does not establish a process to determine and approve the Baseline Carbon

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Emissions Level for the Electric Utility under subsection (J), the Electric Utility's Baseline Carbon Emissions Level shall become effective 120 days after it is filed with the Commission as required by subsection (H).

- L. An Electric Utility shall consult with Staff regarding the identity of organizations or consultants that could serve as an independent third-party to verify that an Electric Utility's identified Carbon Emissions are accurate.
- M. Staff shall issue a notice identifying each organization or consultant that could serve as an independent third-party to verify an Electric Utility's identified Carbon Emissions.
- N. Within 10 days after retaining an independent third party to verify its identified Carbon Emissions, an Electric Utility shall file with the Commission a written notice of such retention.

**\*\* Make all conforming changes**

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